

Message Text

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PAGE 01 LONDON 04482 01 OF 02 171921Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06
TRSE-00 AID-05 EB-08 OMB-01 XMB-02 /074 W
-----171959Z 088326 /47

R 171818Z MAR 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 1667
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
USMISSION EC BRUSSELS
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AMCONSUL EDINBURGH
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LIMITED OFFICIAL USE SECTION 01 OF 02 LONDON 04482

E.O. 11652: N/A
TAGS: PGOV, PINT' UK
SUBJECT: GOVERNMENT AVOIDS POSSIBLE CONFRONTATION ON
PUBLIC SPENDING

REF: (A) LONDON 3988(76) (B) LONDON 37L9

SUMMARY. THE GOVERNMENT DECIDED TO AVOID A PARLIAMENTARY
TEST" AND THE POSSIBLE DEFECTION OF ITS LEFT-WING BACK.
BENCHERS, ON ITS 1978-79 PUBLIC EXPENDITURE WHITE PAPER
WHICH WILL BE DEBATED MARCH 17. LAST YEAR THE GOVERNMENT
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PAGE 02 LONDON 04482 01 OF 02 171921Z

LOST THE VOTE ON A MOTION TAKING NOTE OF ITS PLANNED
PUBLIC EXPENDITURE CUTS DUE TO LEFT-WING ABSTENTIONS. AND
WAS THEN FORCED TO INTRODUCE A CONFIDENCE MOTION WHICH IT
CARRIED EASILY. THIS TIME IT OPTED TO DEBATE THE WHITE
PAPER ON AN ADJOURNMENT MOTION WHICH, IF LOST, WOULD
MERELY END THE DAY.S BUSINESS EARLIER THAN USUAL. MIND-
FUL OF ITS CURRENT MINORITY POSITION, THE GOVERNMENT

WANTS TO AVOID A REPETITION OF LAST YEAR'S INCIDENT. TACTICALLY. ITS DECISION APPEARS SOUND. WHILE THE CONSERVATIVE OPPOSITION WILL SEEK TO EXPLOIT THE GOVERNMENT'S ADMISSION OF WEAKNESS, THE POLITICAL RISKS ARE MUCH LESS THAN THOSE WHICH WOULD ARISE IF THE GOVERNMENT WERE FORCED INTO A CONFIDENCE SITUATION. END SUMMARY.

1. FACED WITH ITS FIRST REALLY IMPORTANT PARLIAMENTARY BUSINESS -- THE DEBATE OF ITS 1978-79 PUBLIC EXPENDITURE WHITE PAPER -- SINCE THE LOSS OF ITS EFFECTIVE OVERALL MAJORITY IN PARLIAMENT. THE GOVERNMENT HAS ELECTED TO AVOID A POLITICAL TEST ON THE PUBLIC SPENDING ISSUE. NORMALLY, COMMONS WOULD DEBATE PUBLIC SPENDING ON A MOTION TAKING NOTE OF THE WHITE PAPER, AND OPPOSITION PARTIES WOULD BE ALLOWED TO INTRODUCE AMENDMENTS TO THE MOTION CRITICAL OF THE GOVERNMENT'S PROPOSALS. DURING THIS DEBATE LAST YEAR, THE GOVERNMENT LOST THE VOTE ON THE MAIN MOTION WHEN DISSIDENT LEFT-WING LABOR MPS ABSTAINED. THE GOVERNMENT WAS SUBSEQUENTLY FORCED TO INTRODUCE A CONFIDENCE MOTION WHICH IT CARRIED BY A SUBSTANTIAL MARGIN (REF. A). TO AVOID A REPETITION, THE GOVERNMENT DECIDED THIS YEAR TO DEBATE THE WHITE PAPER UNDER AN ADJOURNMENT MOTION. THIS UNUSUAL, THOUGH NOT UNPRECEDENTED MOVE LESSENS THE CHANCE OF LEFT-WING DEFECTIONS AND HENCE THE POSSIBILITY OF THE GOVERNMENT BEING FORCED INTO A CONFIDENCE SITUATION WHICH IT MIGHT LOSE.

2. THE GOVERNMENT AND ITS BACKBENCHERS WILL VOTE AGAINST LIMITED OFFICIAL USE

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PAGE 03 LONDON 04482 01 OF 02 171921Z

ADJOURNMENT, ALLOWING FURTHER BUSINESS TO BE INTRODUCED. THE OPPOSITION MUST THEN CHOOSE BETWEEN VOTING WITH THE GOVERNMENT, ABSTAINING OR VOTING FOR ADJOURNMENT, KNOWING THAT THE OUTCOME OF THE VOTE UNDER ANY CIRCUMSTANCES WILL BE OF LITTLE PRACTICAL IMPORT.

3. THE INITIAL OPPOSITION REACTION TO THE GOVERNMENT'S PLAN WAS SHARP AND ADVERSE. CONSERVATIVE SPOKESMEN CALLED IT AN ABUSE OF PARLIAMENTARY CONVENTION AND LABELED THE MANEUVER "A CLASSIC EXAMPLE OF AN AILING GOVERNMENT". ACCORDING TO THE MEDIA, THE TORY, LIBERAL, SCOTTISH NATIONAL AND SCOTTISH LABOR PARTIES HAVE INDICATED THEIR INTENTION TO VOTE AGAINST THE GOVERNMENT (I.E. FOR ADJOURNMENT). THE SLP'S TWO MPS NORMALLY SUPPORT THE GOVERNMENT, BUT ARE OPPOSED TO FURTHER PUBLIC SPENDING CUTS. THE POSITIONS OF THE WELSH NATIONALISTS AND THE ULSTER UNIONISTS ARE STILL IN DOUBT, AND IT SEEMS UNLIKELY THAT MANY LABOR DISSIDENTS WILL VOTE AGAINST THE GOVERNMENT. AT THIS POINT THE PROSPECTS FOR AN EARLY

ADJOURNMENT ARE NOT PARTICULARLY GOOD. WHETHER THE LOSS OF THE ADJOURNMENT MOTION WOULD ULTIMATELY FORCE THE GOVERNMENT TO BRING FORWARD A CONFIDENCE MOTION IS NOT CLEAR, BUT OUR SOURCES AT WESTMINSTER BELIEVE IT AN UNLIKELY CONTINGENCY.

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PAGE 01 LONDON 04482 02 OF 02 171832Z
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LIMITED OFFICIAL USE SECTION 02 OF 02 LONDON 04482

4. THE GOVERNMENT.S RESORT TO THIS STRATAGEMIS AN ADMISSION OF ITS PARLIAMENTARY VULNERABILITY. BUT TACTICALLY SOUND. IT REDUCES THE CHANCES OF BOTH A LOSS AND BEING FORCED INTO A CONFIDENCE SITUATION.THESE DEVELOPMENTS REINFORCE OUR EARLIER VIEW THAT THE GOVERNMENT.S MINORITY POSITION WILL FORCE IT TO ADOPT A LOWER PROFILE

(REF. B), SEEK A BROADER ACCOMMODATION WITH ONE OR MORE
OF THE MINOR PARTIES AND RESORT MORE FREQUENTLY TO
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PAGE 02 LONDON 04482 02 OF 02 171832Z

PARLIAMENTARY LEGERDEMAIN. THAT THE GOVERNMENT FINDS IT-
SELF IN THIS BIND OVER PUBLIC SPENDING. WHERE IT OCCUPIES
THE MIDDLE GROUND AND SEEKS TO IMPLEMENT THE IMF AGREE.
MENT' IS SOMEWHAT IRONIC. THE TORIES DO NOT BELIEVE THE
PROPOSED PUBLIC SPENDING CUTS ARE DEEP ENOUGH. AND ALSO
OBJECT TO THE FACT THAT THEY FALL MOST HEAVILY ON THE
CAPITAL EXPENDITURE SIDE. THE LIBERALS SHARE THE LATTER
CONCERN. BUT ARE PRINCIPALLY INTERESTED IN MAXIMIZING
THEIR POLITICAL BARGAINING LEVERAGE. THE SLP AND
LABOR.S LEFT-WINGERS OPPOSE ANY CUTS AT ALL, WHILE THE
SNP.S OPPOSITION APPARENTLY STEMS FROM ITS DESIRE TO
EMBARRASS THE GOVERNMENT AND. POSSIBLY' TO FORCE A
GENERAL ELECTION.

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